

1 Add 2 Cal. Code Regs. section 18709 as follows:

2 **§ 18709. Governmental Decision: Segmentation.**

3 (a) An agency may segment a decision in which a public official has a financial
4 interest, to allow participation by the official, provided all of the following conditions
5 apply:

6 (1) The decision in which the official has a financial interest can be broken down
7 into separate decisions that are not inextricably interrelated to the decision in which the
8 official has a disqualifying financial interest;

9 (2) The decision in which the official has a financial interest is segmented from
10 the other decisions;

11 (3) The decision in which the official has a financial interest is considered first
12 and a final decision is reached by the agency without the disqualified official's
13 participation in any way; and

14 (4) Once the decision in which the official has a financial interest has been made,
15 the disqualified public official's participation does not result in a reopening of, or
16 otherwise financially affect, the decision from which the official was disqualified.

17 (b) For purposes of this regulation, decisions are "inextricably interrelated" when
18 the result of one decision will effectively determine, affirm, nullify, or alter the result of
19 another decision.

20 (c) Budget Decisions and General Plan Adoption or Amendment Decisions
21 Affecting an Entire Jurisdiction: Once all the separate decisions related to a budget or
22 general plan affecting the entire jurisdiction have been finalized, the public official may

1 participate in the final vote to adopt or reject the agency's budget or to adopt, reject, or
2 amend the general plan.

3 COMMENT: This regulation implements the segmentation principle outlined in the
4 Commission's opinion *In re Owen* (1976) 2 FPPC Ops. 77.

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6 NOTE: Authority cited: Section 83112, Government Code.
7 Reference: Sections 87100 and 87103, Government Code.